(d) the steps Government have taken to bridge the gap between demand and supply of natural gas in the country, till date?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHAJ. PATEL): (a) According to the report of Working Group on Petroleum and Natural Gas for the Eleventh Plan, the demand for natural gas in the country is projected to increase from 179.17 million standard cubic meters per day (MMSCMD) in 2007-08 to 279.43 MMSCMD in 2011-12.

*(b)* According to the report, the LNG import is projected to increase to 23.75 million tonnes per annum (MMTPA) by 2011-12.

(c) An investment of about Rs. 40,000 crores has been projected in the natural gas sector during the Eleventh Plan period (2007-12).

(d) The Government of India has adopted a multi-pronged strategy to augment supplies and to bridge the gap between supply and demand for the domestic market through:

- Intensification of domestic Exploration and Production activities under New Exploration Licensing Policy (NELP),
- Exploitation of unconventional gas, like Coal Bed Methane (CBM),
- Implementation of Natural Gas Hydrate Programme (NGHP) for evaluation of hydrate resources and their possible commercial exploitation,
- Import of gas as LNG, and implementation of transnational gas pipelines.

**Promotion of oil and gas market**

829. SHRI RAMDAS AGARWAL: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the steps Government have taken for uninterrupted and adequate supply of petroleum products and natural gas in all parts of the country;

(b) the concrete steps that have so far been taken by Government to promote internal/external market; and

(c) whether he has submitted any duty recast/revamp economic package

to the Finance Minister so as to ensure that impact on consumers will be minimal?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) and (b) At present, nearly 78.3% of the crude oil requirement of the country is being imported. Sourcing long term or spot crude oil imports is a continuous process of the oil companies which depends on the contractual or purchase agreements made with national oil companies of foreign countries and other market operators, as well as the types of crude oil available in international market. The purchase pattern is aimed at optimizing refining margins.

Government of India has adopted a multi pronged strategy to augment gas supplies and bridge the gap between supply and demand for the domestic market. These cover:—

(i) Intensification in domestic E&P activities;

(ii) Exploitation of unconventional sources, like coal bed methane;

(iii) Implementation of Natural Gas Hydrate Programme (NGHP) for evaluation of hydrate resources and their possible commercial exploitation;

(iv) Liquefied Natural Gas (LNG) imports;

(v) Gas sourcing through transnational pipelines.

Demand for petroleum products is met in full through production from own refineries and purchases from OMCs. To meet the deficits in domestic availability if any, imports are also resorted to. The petroleum sector has well established marketing infrastructure and storage locations for petroleum products, retail outlets, SKO/LDO Dealerships and LPG Distributors network to meet consumers needs for petroleum products. Public sector oil companies also ensure supplies in remote and other areas which are prone to supply link disruptions by natural calamities.

(c) In the Union Budget 2007-08, Government has proposed to reduce the excise duty by 2% on petrol and diesel with effect from 01.03.2007. In view of the reduction in retail prices of petrol and diesel by Rs. 2/- per litre and Rs. 1/- litre respectively already effected with effect from 16.02.2007. Government has advised oil marketing companies to retain the benefit of reduction of excise duty.